


JUNE 6, 2008

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JUNE 6, 2008, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, LEGAL, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 5:00 P.M. ON JUNE 6, 2008.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGE 1 TO 3; SURFACE ACTIONS AS LISTED ON PAGES 3 TO 34; LEGAL ACTIONS AS LISTED ON PAGES 35 TO 38; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 38.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON FRIDAY, JUNE 20, 2008. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

CONTRACTION OF THE HUNTINGTON (SHALLOW) CBM UNIT

The State of Utah School & Institutional Trust Lands Administration, authorized officer of the Huntington (Shallow) CBM Unit, has approved the contraction of the unit boundary area to the participating area "BC" because the required drilling schedule was not met for the year April 2007 thru April 2008 as discussed in Section 9(b) of the unit agreement. The unit area has a total acreage of 9,531.62 acres, eliminating 8,864.19 acres.

The following leases are partially eliminated from the unit area:

<u>Lease #</u>	<u>Lessee</u>	<u>Fund</u>
ML 46142	Merrion Oil & Gas Corporation	SCH
ML 47217	XTO Energy Inc.	SCH
ML 48176	Merrion Oil & Gas Corporation	MULTI
ML 48192	XTO Energy Inc.	MULTI
ML 48193	XTO Energy Inc.	MULTI
ML 48194	XTO Energy Inc.	MULTI
ML 48195	XTO Energy Inc.	MULTI
ML 48202	XTO Energy Inc.	MULTI
ML 48214	XTO Energy Inc.	MULTI
ML 48218	XTO Energy Inc.	MULTI
ML 48221	XTO Energy Inc.	MULTI
ML 48229	XTO Energy Inc.	MULTI
ML 48230	XTO Energy Inc.	MULTI

The following leases are eliminated out of the unit area and will receive a two-year extension from the date of contraction; having an expiration date of May 1, 2010:

<u>Lease #</u>	<u>Lessee</u>	<u>Fund</u>
ML 47102	Merrion Oil & Gas Corporation	SCH
ML 48199	XTO Energy Inc.	MULTI
ML 48228	XTO Energy Inc.	MULTI

This item is submitted by Ms. Wells for record-keeping purposes only.

APPROVAL OF THE RYE PATCH (DEEP) UNIT (SCH)

Petro-Canada Resources, Inc., Operator of the Rye Patch (Deep) Unit, a shell gas unit, has furnished the State of Utah School and Institutional Trust Lands Administration office with evidence that the unit was approved by the Bureau of Land Management on May 19, 2008, with the same effective date.

The following leases should be noted as being committed to the Rye Patch (Deep) Unit with all formations unitized below the Green River formation:

<u>LEASE #</u>	<u>LESSEE</u>
ML 49391	EOG Resources Inc.
ML 49392	EOG Resources Inc.

This item was submitted by Ms. Wells for record-keeping purposes only.

S U R F A C E A C T I O N S

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5189 (CANCELLATION)**

On May 20, 2008, HIS Productions, 3630 Eastham Drive, Culver City, CA 90232, submitted an application for commercial photography on the following described trust land located within Grand and San Juan Counties:

T26S, R19E, SLB&M
Sec. 36: Within

T27S, R20E, SLB&M
Sec. 16: Within

On May 29, 2008, the permittee called requesting that the right of entry be canceled. At the time of application, the permittee submitted the \$100.00 application/processing fee. Grand & San Juan Counties. School Fund.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved the cancellation of Right of Entry No. 5189 with the **\$100.00 application/processing fee being forfeited to the Agency.**

EASEMENTS**EASEMENT NO. 1339 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 22 East, SLB&M

Section 24: NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

Section 25: S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

Section 36: W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, T10S, R22E, SLB&M, which bears N 43°25'36" W 2101.30 feet from the east $\frac{1}{4}$ corner of said Section 24, thence S 35°36'49" E 42.81 feet; thence S 31°27'02" W 44.68 feet; thence S 35°12'58" E 78.40 feet; thence S 23°26'36" E 126.86 feet; thence S 09°58'53" E 81.13 feet; thence S 08°21'06" W 178.71 feet; thence S 08°38'05" E 220.79 feet; thence S 09°52'01" W 95.58 feet; thence S 01°58'22" E 251.39 feet; thence S 12°58'40" E 118.87 feet; thence S 27°53'55" E 179.16 feet; thence S 24°31'03" E 204.97 feet; thence S 07°39'55" E 104.04 feet; thence S 08°27'55" W 149.51 feet; thence S 02°49'36" E 88.55 feet; thence S 16°16'21" W 72.58 feet; thence S 40°23'28" W 89.87 feet; thence S 75°27'00" W 110.13 feet to a point on the west line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 24, which bears S 68°50'34" W 1422.94 feet from the east $\frac{1}{4}$ corner of said Section 24.

Also, beginning at a point on the north line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 25, T10S, R22E, SLB&M, which bears N 89°54'53" E 641.06 feet from the north $\frac{1}{4}$ corner of said Section 25, thence S 16°48'36" W 61.85 feet; thence S 05°57'30" W 79.04 feet; thence S 39°44'46" E 33.38 feet; thence S 54°20'15" E 197.01 feet; thence S 46°47'44" E 127.55 feet; thence S 02°49'37" E 35.79 feet; thence S 04°35'22" W 141.99 feet; thence S 03°29'28" E 189.50 feet; thence S 02°20'13" W 405.35 feet; thence S 07°35'44" W 196.73 feet; thence S 03°27'09" E 71.94 feet; thence S 42°59'55" E 140.17 feet; thence S 66°29'12" E 63.34 feet; thence S 84°14'09" E 172.93 feet; thence S 78°15'42" E 127.44 feet; thence S 48°26'59" E 99.72 feet; thence S 39°04'22" E 66.76 feet; thence S 21°09'32" E 128.70 feet; thence S 06°58'11" E 193.06 feet; thence S 36°10'54" E 42.54 feet; thence S 49°29'42" E 227.00 feet; thence S 25°18'37" E 61.13 feet; thence S 27°04'28" W 145.67 feet; thence S 09°52'24" W 162.90 feet; thence S 04°07'57" W 178.79 feet; thence S 07°31'05" E 102.09 feet; thence S 14°18'12" E 168.05 feet; thence S 26°33'00" E 133.87 feet; thence S 31°54'29" E 84.27 feet; thence S 02°54'41" E 52.75 feet; thence S 34°05'10" E 128.28 feet; thence S 26°55'35" E 83.66 feet; thence S 14°31'26" W 130.94 feet; thence S 44°54'17" W 127.58 feet; thence S 50°32'28" W 431.46 feet; thence S 18°54'52" W 510.90 feet; thence S 00°41'09" W 80.11 feet; thence S 11°35'36" E 212.52 feet; thence S 18°59'02" E 139.78 feet; thence S 09°31'39" E 154.88 feet; thence S 14°46'59" W 93.17 feet; thence S 29°47'17" W 126.71 feet; thence S 34°31'26" W 128.67 feet; thence S 73°36'05" W 113.03 feet to a point on the south line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 25, which bears N 89°30'04" E 1087.85 feet from the south $\frac{1}{4}$ corner of said Section 25, thence S 73°36'05" W 69.89 feet; thence S 89°40'01" W 171.11 feet; thence N 76°23'01" W 76.48 feet to a point on the north line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, T10S, R22E, SLB&M, which bears N 89°30'04" E 775.36 feet from the north $\frac{1}{4}$ corner of said Section 36, thence N 76°23'01" W 70.96 feet; thence S 85°35'15" W 63.34 feet; thence S 35°38'19" W 16.08 feet to a point on the south line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 25, which bears N 89°30'04" E 633.87 feet from the south $\frac{1}{4}$ corner of said Section 25, thence S 35°38'19" W 36.37 feet; thence S 16°23'58" W 309.81 feet; thence S 02°43'51" W 62.57 feet; thence S

EASEMENT NO. 1339 (APPROVAL) (CONTINUED)

24°41'52" E 76.36 feet; thence S 60°37'55" E 211.56 feet; thence S 79°19'37" E 141.40 feet; thence S 21°01'53" E 41.82 feet; thence S 07°30'43" E 54.97 feet; thence S 15°55'48" W 77.60 feet; thence S 22°47'16" W 89.89 feet; thence S 09°45'13" W 323.68 feet; thence S 33°30'05" W 81.91 feet; thence S 56°55'05" W 126.20 feet; thence N 87°49'13" W 162.20 feet; thence N 82°40'34" W 208.71 feet; thence S 84°43'01" W 205.66 feet; thence S 63°58'44" W 86.86 feet; thence S 35°37'53" W 49.55 feet; thence S 17°09'43" W 125.39 feet; thence S 01°37'47" E 94.80 feet; thence S 13°23'26" E 62.12 feet; thence S 18°08'46" E 399.58 feet; thence S 03°42'16" E 79.40 feet; thence S 16°23'05" W 84.80 feet; thence S 30°22'41" W 122.65 feet; thence S 50°10'36" W 70.16 feet; thence N 88°40'25" W 145.80 feet; thence N 63°58'17" W 418.96 feet; thence N 77°53'23" W 71.60 feet; thence S 68°54'02" W 69.62 feet; thence S 43°53'31" W 76.38 feet; thence S 13°19'04" W 85.90 feet; thence S 13°26'46" E 78.85 feet; thence S 29°33'07" E 236.10 feet; thence S 15°38'07" E 242.87 feet; thence S 06°18'41" E 85.96 feet; thence S 32°58'32" W 99.02 feet; thence S 74°41'00" W 73.16 feet; thence N 73°21'14" W 145.91 feet; thence N 79°28'45" W 99.91 feet; thence S 82°21'57" W 147.18 feet; thence S 74°29'38" W 156.56 feet; thence S 71°34'19" W 101.26 feet; thence S 85°20'09" W 36.12 feet; thence S 70°04'42" W 155.60 feet; thence N 54°46'19" W 687.82 feet; thence N 47°11'19" W 140.15 feet; thence S 57°37'29" W 330.69 feet; thence S 68°55'26" W 160.02 feet to a point on the west line of the NW¼SW¼ of said Section 36, which bears S 00°12'44" E 201.89 feet from the west ¼ corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 11.219 acres, more or less.

COUNTY: Uintah

ACRES: 11.219

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain two surface natural gas pipelines, one 6-inch diameter pipeline, and one 10-inch diameter pipeline. The pipelines will service the NBU 1022-24B Well, and the majority of the pipeline will be laid alongside a proposed access road that is currently being considered under Easement Application No. 1340. The proposed easement corridor is 16,290.35 feet long and 30 feet wide, containing 11.219 acres. The proposed term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on December 31, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality and the Utah Geological Survey as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

EASEMENT NO. 1339 (APPROVAL) (CONTINUED)**Utah Geological Survey:**

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within Paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Intermountain Paleo-Consulting (Report No. 06-386). No fossils were discovered along the easement corridor on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been surveyed for cultural resources by Montgomery (U-07-MQ-0418b,p,s) with a finding of "No Historic Properties Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1339 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$17,771.29 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1340 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
 1368 South 1200 East
 Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 22 East, SLB&M

Section 24: NE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ (within)

Section 25: S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

Section 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, T10S, R22E, SLB&M, which bears S 47°55'51" E 1263.57 feet from the north $\frac{1}{4}$ corner of said Section 36, thence N 00°56'16" E 80.77 feet; thence N 18°17'39" W 79.59 feet; thence N 08°13'42" W 73.23 feet; thence N 08°56'27" W 33.28 feet; thence N 40°49'26" W 25.61 feet; thence N 83°25'19" W 99.96 feet; thence N 64°20'00" W 197.96 feet; thence N 49°50'35" W 54.12 feet; thence N 19°36'48" W 79.66 feet; thence N 13°49'03" E 255.92 feet; thence N 20°49'31" E 66.34 feet; thence N 78°45'10" E 171.67 feet; thence S 82°32'20" E 101.02 feet; thence N 88°12'06" E 166.94 feet; thence N 82°22'10" E 75.97 feet; thence N 55°20'58" E 39.35 feet to a point on the north line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 36, which bears N 89°30'04" E 1163.94 feet from the north $\frac{1}{4}$ corner of said Section 36, thence N 55°20'58" E feet; thence N 28°16'35" E 95.59 feet; thence N 31°22'19" E 152.11 feet; thence N 01°09'02" E 153.04 feet; thence N 17°05'49" W 186.05 feet; thence N 12°25'20" W 210.59 feet; thence N 02°28'49" W 91.85 feet; thence N 12°20'39" E 109.18 feet; thence N 27°04'10" E 99.86 feet; thence N 17°15'57" E 137.69 feet; thence N 21°03'59" E 174.48 feet; thence N 49°08'42" E 485.52 feet; thence N 40°18'57" E 55.32 feet; thence N 18°10'14" E 151.05 feet; thence N 04°57'49" W 82.90 feet; thence N 20°15'08" W 21.62 feet; thence N 35°04'53" W 195.96 feet; thence N 27°11'14" W 82.52 feet; thence N 17°25'38" W 291.85 feet; thence N 00°12'38" W 267.65 feet; thence N 12°55'55" E 155.92 feet; thence N 23°58'17" E 147.11 feet; thence N 09°15'05" W 38.98 feet; thence N 49°19'03" W 209.94 feet; thence N 37°56'19" W 88.73 feet; thence N 15°59'01" W 99.56 feet; thence N 06°15'47" W 151.15 feet; thence N 20°06'07" W 165.73 feet; thence N 50°56'38" W 65.55 feet; thence N 77°22'38" W 113.25 feet; thence S 89°04'07" W 160.83 feet; thence N 87°52'44" W 63.41 feet; thence N 65°52'19" W 80.33 feet; thence N 47°20'25" W 75.95 feet; thence N 18°30'49" W 60.76 feet; thence N 09°05'58" E 86.47 feet; thence N 02°46'43" W 123.28 feet; thence N 03°29'34" E 177.59 feet; thence N 00°50'04" W 162.12 feet; thence N 05°52'42" E 61.62 feet; thence N 20°19'12" E 66.63 feet; thence N 02°30'38" W 131.17 feet; thence N 13°39'04" W 104.95 feet; thence N 38°03'31" W 286.82 feet; thence N 36°32'51" W 89.14 feet; thence N 24°10'21" W 62.63 feet; thence N 08°12'22" E 117.67 feet to a point on the north line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 25, T10S, R22E, SLB&M, which bears N 89°54'53" E 657.86 feet from the north $\frac{1}{4}$ corner of said Section 25.

Also, beginning at a point on the west line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, T10S, R22E, SLB&M, which bears S 67°52'06" W 1432.45 feet from the east $\frac{1}{4}$ corner of said Section 24, thence N 72°15'15" E 68.24 feet; thence N 74°31'33" E 42.05 feet; thence N 45°38'18" E 116.58 feet; thence N 08°44'52" E 253.25 feet; thence N 04°54'46" W 135.43 feet; thence N 23°54'11" W 462.37 feet; thence N 12°26'44" W 98.98 feet; thence N 03°15'29" E 272.90 feet; thence N 05°28'29" E 100.75 feet; thence N 09°20'17" W 158.42 feet; thence N 03°04'26" E 177.28 feet; thence N 15°37'59" W 149.97 feet; thence N 32°02'55" W 200.54 feet to a point in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 24, which bears S 48°01'20" E 1642.18 feet from the north $\frac{1}{4}$ corner of said Section 24. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 6.968 acres, more or less.

EASEMENT NO. 1340 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain an access road. The access road will be new construction and will be used to service the NBU 1022-24B Well. The proposed easement corridor is 10,116.88 feet long and 30 feet wide, containing 6.968 acres. The proposed term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on December 31, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality and the Utah Geological Survey as follows:

Department of Environmental Quality/Division of Air Quality:

"The proposal is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at:

www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within Paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Intermountain Paleo-Consulting (Report No. 07-04). No fossils were discovered along the proposed corridor on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been surveyed for cultural resources by Montgomery (U-07-MQ-0418b,p,s) with a finding of "No Historic Properties Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

EASEMENT NO. 1340 (APPROVAL) (CONTINUED)

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1340 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$4,598.58 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1345 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

United States of America
Department of Energy
200 Grand Avenue
Grand Junction, CO 81501

LEGAL DESCRIPTION:**Township 21 South, Range 17 East, SLB&M**

Section 36: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A 20 foot wide easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

Beginning at a point which is N 0°43'53" E 494.74 feet along the section line from the Southwest corner of Section 36, Township 21 South, Range 17 East, SLB&M; thence S 60°19'15" E 228.43 feet; thence S 60°07'20" E 769.22 feet to the south line of said Section 36 at a point which is S 89°53'42" E 871.77 feet along the section line from the Southwest corner of said Section 36. Containing 0.46 acres, more or less.

Township 21 South, Range 19 East, SLB&M

Section 33: NW $\frac{1}{4}$ (within)

A 20 foot wide easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

Beginning at a point which is S 0°05'25" W 1501.24 feet along the section line from the Northwest corner of Section 33, Township 21 South, Range 19 East, SLB&M; thence N 25°13'09" E 839.85 feet; thence N 50°16'03" E 1160.57 feet to the north line of said Section 33 at a point which is N 89°58'54" E 1248.01 feet along the section line from the Northwest corner of said Section 33. Containing 0.92 acres, more or less.

Township 22 South, Range 18 East, SLB&M

Section 2: SW $\frac{1}{4}$, NE $\frac{1}{4}$ (within)

A 20 foot wide easement being 10 feet on each side of its centerline, along with a 60 foot wide temporary construction easement being 30 feet on each side of the centerline, said centerline being described as follows:

EASEMENT NO. 1345 (APPROVAL) (CONTINUED)

Beginning at a point which is N 0°24'43" E 2273.79 feet along the section line from the Southwest corner of Section 2, Township 22 South, Range 18 East, SLB&M; thence N 77°52'21" E 5394.88 feet to the east line of said Section 2 at a point which is S 0°00'17" E 2310.64 feet along the section line from the Northeast corner of said Section 2. Containing 2.48 acres, more or less.

COUNTY: Grand

ACRES: 3.86

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 6-inch diameter buried water pipeline. The pipeline will be used to transport water from the Green River to the Moab Uranium Mill Tailing Reclamation project site located near Crescent Junction. The water will be stored in a storage pond at the site and used for dust control and tailing compaction. The entire pipeline is approximately 20 miles in length, with approximately 1.6 miles located on trust lands. The proposed easement corridor is 8,392.95 feet long and 20 feet wide, containing 3.86 acres. The applicant has also requested a 60 foot wide temporary construction easement.

Right of Entry No. 5137 was issued on March 10, 2008, to allow for the construction of the pipeline while negotiations regarding the easement agreement were being completed. The pipeline has now been constructed under the authority of this permit. This easement will be effective as of May 1, 2008, and will replace Right of Entry No. 5137. The easement will be issued for an initial term of 30 years, subject to two options to renew for a period of five years each, or until the completion of the mill tailings relocation project, whichever comes first.

The easement agreement will contain a clause which allows the Trust Lands Administration to utilize any excess capacity in the pipeline to deliver water to a point on the Crescent Junction Block. In the event that the Trust Lands Administration exercises its right to use any excess capacity in the pipeline, the Department of Energy has agreed to obtain all necessary easements and arrangements for the construction and operation of the pipeline and water collection facilities on private and federal lands for the use of the pipeline and ancillary facilities by the Trust Lands Administration. The ability of the Trust Lands Administration to utilize any excess capacity in the pipeline will be accepted in lieu of the administrative fee required by R850-40-1800.

Upon the expiration of the agreement, the Department of Energy may assign the pipeline project and associated water rights to Grand County or a public special service entity designated by Grand County, subject to approval by the Trust Lands Administration. If no local government, authority, or entity is willing or able to control, maintain, and keep the pipeline and ancillary facilities in good repair for perpetual public use at the time, the easement shall be abandoned by the Department of Energy as outlined in the easement agreement.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on January 3, 2008. Comments were received from the Southeastern Utah Association of Governments, as follows:

Southeastern Utah Association of Governments:

"Favorable comment recommended."

The comments received from the RDCC have been passed on to the applicant.

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (U-07-MQ-1315b,p,s). The cultural resources survey has been reviewed by the Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") with a finding of "No Adverse Affect."

EASEMENT NO. 1345 (APPROVAL) (CONTINUED)**EVALUATION OF FACTS:**

1. The proposed easement is not located entirely on trust lands. The proposed easement term is for a period of 30 years, with an option to renew the easement for two additional five-year terms.
2. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
3. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1345 for an initial term of 30 years beginning May 1, 2008, and expiring April 30, 2038, with the easement fee being \$6,104.00 plus the \$750.00 application fee. In lieu of the administrative fee, the Trust Lands Administration is accepting use of any excess capacity of the pipeline.

EASEMENT NO. 1346 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 9 South, Range 20 East, SLB&M
Section 36: N $\frac{1}{2}$ SE $\frac{1}{4}$ (within)

Township 9 South, Range 21 East, SLB&M
Section 31: Lot 3, N $\frac{1}{2}$ SE $\frac{1}{4}$ (within)
Section 32: NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

An 80 foot wide easement, 40 feet on each side of the following described centerline:

Beginning at a point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, T9S, R21E, SLB&M, which bears S 82°48'30" E 968.85 feet from the northwest corner of said Section 32, thence S 22°51'17" E 2056.37 feet; thence S 68°46'02" W 1849.26 feet to a point on the west line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 32, which bears S 00°46'19" E 2686.18 feet from the northwest corner of said Section 32, thence S 68°46'02" W 2038.62 feet; thence S 86°44'11" W 2440.53 feet; thence S 89°59'18" W 1310.71 feet to a point on the west line of Lot 3 of Section 31, T9S, R21E, SLB&M, which bears S 00°20'31" E 566.96 feet from the east $\frac{1}{4}$ corner of Section 36, T9S, R20E, SLB&M; thence S 89°59'18" W 468.35 feet; thence N 49°48'03" W 245.53 feet; thence N 86°47'13" W 852.53 feet; thence S 03°17'33" W 156.13 feet to a point in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 36, which bears S 71°08'33" W 1598.46 feet from the east $\frac{1}{4}$ corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 20.97 acres, more or less.

COUNTY: Uintah

ACRES: 20.97

FUND: School

EASEMENT NO. 1346 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain a 34.4 kV overhead power distribution line. The power line will commence at the Willow Creek Compressor Station located within Sec. 32, T9S, R21E, and will provide power to the Pipeline Pond Disposal Facility located within Sec. 36, T9S, R20E. The proposed easement corridor is 11,418.03 feet long and 80 feet wide, containing 20.97 acres. The proposed term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on January 3, 2008. Comments were received from the Utah Geological Survey and the Uintah County Commission as follows:

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair and maintenance of a 34.4 kV overhead power distribution line located within Uintah County. The proposed power line is located in T9S, R20E, Sec. 36: N½SE¼ (within), T9S, R21E, Sec. 31: N½SE¼, Lot 3 (within), and Sec. 32: NW¼, NW¼SW¼ (within). The power line will commence at the Willow Creek Compressor Station located in T9S, R21E, Sec. 32, and will provide power to the Pipeline Pond Disposal Facility located within T9S, R20, Sec. 36. The proposed easement corridor is approximately 11,430 feet long and 80 feet wide, containing 20.97 acres."

"Uintah County supports this action, keeping ground disturbance, increase in traffic, equipment, dust, and noise emissions during construction, at a minimum. It is the County's understanding that the power lines will be placed outside the County's road rights-of-way."

"We would ask that Kerr-McGee Oil and Gas Onshore LP contact Uintah County's Planning & Zoning Department for the necessary County permits. We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Intermountain Paleo-Consulting (Report No. 08-14). No fossils were discovered along the proposed corridor on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been surveyed for cultural resources by Montgomery (U-08-MQ-0047s) with a finding of "No Historic Properties Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EASEMENT NO. 1346 (APPROVAL) (CONTINUED)**EVALUATION OF FACTS:**

1. The proposed easement is located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1346 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$16,608.04 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1347 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 11 South, Range 22 East, SLB&M
Section 36: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

Pipeline Easement:

A 15 foot wide easement located in Section 36, T11S, R22E, SLB&M. The width of said easement being 7.5 feet on each side of the centerline. The centerline of said easement being more particularly described as follows:

Beginning at a point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 36, T11S, R22E, SLB&M, which bears N 10°12'13" E 1060.53 feet from the southwest corner of said Section 36, thence N 60°06'58" E 33.87 feet; thence N 78°11'07" E 68.57 feet; thence N 80°33'43" E 51.89 feet; thence N 89°59'09" E 53.00 feet; thence S 71°41'12" E 46.44 feet; thence S 53°33'17" E 14.91 feet to a point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 36, which bears N 22°45'39" E 1149.23 feet from the southwest corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of the bearings is the west line of the SW $\frac{1}{4}$ of said Section 36 which is taken from global positioning satellite observations to bear N 00°04'07" W a measured distance of 2640.67 feet. Contains 0.09 acres, more or less.

Access Road Easement:

A 40 foot wide easement located in Section 36, T11S, R22E, SLB&M. The width of said easement being 20 feet on each side of the centerline. The centerline of said easement being more particularly described as follows:

EASEMENT NO. 1347 (APPROVAL) (CONTINUED)

Beginning at a point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 36, T11S, R22E, SLB&M, which bears N 10°32'21" E 1085.50 feet from the southwest corner of said Section 36, thence N 60°06'58" E 15.31 feet; thence N 78°11'07" E 71.26 feet; thence N 80°33'43" E 53.44 feet; thence N 89°59'09" E 56.66 feet; thence S 71°41'12" E 51.26 feet; thence S 53°33'17" E 32.01 feet to a point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 36 which bears N 23°38'30" E 1160.46 feet from the southwest corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is the west line of the SW $\frac{1}{4}$ of said Section 36 which is taken from global positioning satellite observations to bear N 00°04'07" W a measured distance of 2640.67 feet. Contains 0.26 acres, more or less.

COUNTY: Uintah

ACRES: 0.35

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface pipeline and an access road. The pipeline and access road are already in place and have previously been used to service the Buck Camp 11-22-14-36 Well. The pipeline and access road were previously constructed under the authority of the mineral lease. The Buck Camp 11-22-14-36 Well is now being converted to a water disposal well and the pipeline and access road will now be used to carry off lease water to the well for disposal, therefore an easement is now required. The well pad has been authorized for water disposal under SULA 1558. The proposed pipeline corridor is 268.68 feet long and 15 feet wide, containing 0.09 acres. The proposed access road corridor is 279.94 feet long and 40 feet wide, containing 0.26 acres. The proposed term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

Since the pipeline and access road are already in existence and there will be no new ground disturbance associated with this easement, review by the Resource Development Coordinating Committee ("RDCC") was not required.

The Trust Lands Administration's staff archaeologist has reviewed the proposed easement and has determined that since the pipeline and access road are already in existence, a new cultural resource survey would not be required.

EVALUATION OF FACTS:

1. The proposed easement is located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1347 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$365.06 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due January 1, 2011.

EASEMENT NO. 1353 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1099 18th Street, Suite 1200
Denver, CO 80202

LEGAL DESCRIPTION:

Township 14 South, Range 10 East, SLB&M
Section 11: S½SW¼ (within)

A 33 foot wide easement, 16.5 feet on each side of the following described centerline:

Beginning at a point on the south off line of Section 11, T14S, R10E, SLB&M, which bears N 89°52'32" E 601.98 feet from the south ¼ corner of said Section 11, thence N 67°15'01" W 88.92 feet; thence N 84°55'24" W 134.52 feet; thence S 88°09'59" W 125.52 feet; thence S 89°14'42" W 94.42 feet; thence S 89°43'49" W 127.72 feet; thence S 89°00'11" W 126.73 feet; thence S 89°19'43" W 149.77 feet; thence S 89°17'40" W 196.01 feet; thence S 89°36'18" W 125.02 feet; thence N 83°07'16" W 121.56 feet; thence N 83°48'00" W 105.67 feet to a point in the SE¼SW¼ of said Section 11 which bears N 85°35'38" W 787.12 feet from the south ¼ corner of said Section 11. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.057 acres, more or less.

Also, beginning at a point on the east off line of Section 11, T14S, R10E, SLB&M, which bears N 00°04'07" W 560.17 feet from the east ¼ corner of said Section 11, thence S 60°20'11" W 90.50 feet; thence S 62°37'01" W 214.08 feet; thence S 58°19'14" W 134.17 feet; thence S 58°44'08" W 288.78 feet; thence S 60°30'38" W 159.57 feet; thence S 63°25'14" W 225.81 feet; thence S 68°20'46" W 189.30 feet; thence S 62°03'30" W 154.51 feet; thence S 62°39'32" W 167.20 feet; thence S 50°59'44" W 103.70 feet; thence S 58°56'28" W 197.22 feet; thence S 63°42'41" W 142.16 feet; thence S 77°28'32" W 59.03 feet to a point in the NW¼SE¼ of said Section 11 which bears S 76°35'51" W 1919.11 feet from the east ¼ corner of said Section 11. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.611 acres, more or less.

Also, beginning at a point on the south off line of Section 11, T14S, R10E, SLB&M, which bears S 89°48'02" W 802.27 feet from the south ¼ corner of said Section 11, thence N 08°19'06" W 15.44 feet; thence N 26°52'03" E 133.81 feet; thence N 31°49'12" E 160.69 feet; thence N 13°28'48" E 144.80 feet; thence N 12°43'47" E 221.45 feet; thence N 09°27'51" E 222.49 feet; thence N 12°20'06" E 260.23 feet; thence N 25°53'40" E 246.65 feet; thence N 24°12'37" W 110.38 feet to a point in the NW¼SW¼ of said Section 11 which bears N 16°32'22" W 1482.80 feet from the south ¼ corner said Section 11. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.148 acres, more or less.

COUNTY: Carbon

ACRES: 3.816

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain an access road, buried 8-inch or less pipeline, and a buried power line. The proposed easement will be used to service the Wellington Federal #31-14 and #11-12 Wells, located on federal lands to the south and east. The proposed easement corridor is 5037.83 feet long and 33 feet wide, containing 3.816 acres. The proposed term of the easement is 30 years.

EASEMENT NO. 1353 (APPROVAL) (CONTINUED)**RELEVANT FACTUAL BACKGROUND:**

The Resource Development Coordinating Committee ("RDCC") review was initiated on February 26, 2008. Comments were received from the Department of Environmental Quality/Division of Air Quality and the Southeastern Utah Association of Governments as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Southeastern Utah Association of Governments:

"Favorable comment recommended."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within Paragraph 13 of the easement agreement.

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (U-07-MQ-0163b,p,s). One site was identified which was considered to be eligible for the National Register of Historic Places. Upon review of the project and the survey, the Trust Lands Administration's staff archaeologist recommended a finding of "No Adverse Affect." The State Historic Preservation Office ("SHPO") has concurred with this finding; therefore, the project has been cleared for cultural resources.

The lands underlying the easement have been identified as having future coal extraction potential; therefore, in order to protect this potential for future coal extraction, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

EASEMENT NO. 1353 (APPROVAL) (CONTINUED)

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1353 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$5,495.81 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement with the first payment being due January 1, 2011.

EASEMENT NO. 1378 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Questar Exploration and Production Company
11002 East 17500 South
Vernal, Utah 84078

LEGAL DESCRIPTION:

Township 7 South, Range 21 East, SLB&M
Section 16: S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the west line of Section 16, T7S, R21E, SLB&M, which bears S 00°21'39" E 126.78 feet from the west $\frac{1}{4}$ corner of said Section 16, thence N 47°43'34" E 137.07 feet; thence N 47°40'26" E 226.41 feet; thence N 46°43'36" E 150.80 feet; thence N 25°39'50" E 145.60 feet; thence N 06°56'42" W 113.23 feet; thence N 21°59'00" W 204.48 feet; thence N 22°51'35" W 186.51 feet; thence N 18°53'47" E 146.02 feet; thence N 50°20'07" E 189.54 feet; thence N 66°51'58" E 184.75 feet; thence N 85°38'05" E 189.85 feet; thence S 87°39'33" E 220.48 feet; thence S 82°07'28" E 213.77 feet; thence S 73°29'36" E 279.42 feet; thence S 71°25'05" E 214.62 feet; thence S 71°20'46" E 243.72 feet; thence S 71°31'21" E 262.94 feet; thence S 72°57'07" E 243.45 feet; thence S 71°01'39" E 284.40 feet; thence S 69°04'01" E 236.96 feet; thence S 60°02'23" E 219.55 feet; thence S 55°22'53" E 211.42 feet; thence S 55°38'27" E 173.29 feet; thence S 46°03'35" E 217.73 feet; thence S 43°38'02" E 37.85 feet; thence S 74°54'55" E 115.19 feet; thence N 60°02'28" E 118.72 feet; thence N 54°40'42" E 146.19 feet; thence N 89°03'56" E 170.45 feet; thence S 74°57'04" E 179.61 feet; thence S 78°07'03" E 334.63 feet; thence S 79°56'12" E 264.12 feet; thence S 81°07'45" E 246.07 feet; thence S 79°01'48" E 92.91 feet; thence S 81°37'16" E 45.38 feet to a point on the east line of said Section 16 which bears N 00°27'05" E 35.78 feet from the east $\frac{1}{4}$ corner of said Section 16. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 4.578 acres, more or less.

COUNTY: Uintah

ACRES: 4.578

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface natural gas pipeline. The applicant plans to re-enter their existing Brennan #3 oil well located in Section 17, Township 7 South, Range 21 East, and drill horizontally to access natural gas reserves. The proposed pipeline will be used to transport gas from the well to market. The proposed easement corridor is 6,647.13 feet long and 30 feet wide, containing 4.578 acres. The term of the easement will be 30 years.

EASEMENT NO. 1378 (APPROVAL) (CONTINUED)**RELEVANT FACTUAL BACKGROUND:**

The Resource Development Coordinating Committee ("RDCC") review was initiated on December 31, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Duchesne River Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance by Questar Exploration and Production Company for a 4-inch diameter surface natural gas pipeline located in T7S, R21E, Section 16: S½NE¼, S½NW¼, NW¼SW¼ (within) in Uintah County. The applicant plans to re-enter their existing Brennan #3 oil well located to the west in T7S, R21E, Section 17, and drill horizontally to access natural gas reserves. The proposed pipeline would be used to transport gas from this well to market. The proposed easement corridor is a total of 6,647.13 feet long and 30 feet wide, containing 4.578 acres.

"The document fails to mention the name of the connecting pipeline and the location the proposed pipeline would tie into at the end of the 6,647.13 feet from the well site.

"Uintah County supports this action, keeping ground disturbance caused by increase in traffic, equipment, dust, and noise emissions during construction at a minimum.

"We would ask that Questar Exploration and Production Company contact the Uintah County Planning & Zoning Department for the necessary County permits, and the Uintah County Road Department for permits when crossing County roads.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

EASEMENT NO. 1378 (APPROVAL) (CONTINUED)

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within Paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Intermountain Paleo-Consulting (Report No. 08-60). No fossils were discovered along the proposed corridor on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been surveyed for cultural resources by Montgomery (U-08-MQ-0132b,s) with a finding of "No Historic Properties." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1378 for a term of 30 years beginning June 1, 2008, and expiring May 31, 2038, with the easement fee being \$4,834.28 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 235 (RESOLUTION AND SETTLEMENT OF UNAUTHORIZED CO-LOCATED TENANTS' PAST USE)**

Special Use Lease Agreement No. 235 (SULA 235) is a telecommunications lease issued to Questar InfoComm, Inc.; Street Address: 180 East 100 South, Mailing Address: P. O. Box 45433, MS: QB303, Salt Lake City, UT 84145-0433. The lease is located on Lake Mountain in Utah County. School Fund. The primary use for the site is for the lessee's existing communication tower and accompanying building. The tower and facility are large enough to accommodate additional tenants and uses.

The lease agreement provides for subleasing, with prior written consent from the Trust Lands Administration, provided that fair market value sublease rentals are received. Currently, there are four existing subleases co-located on the site. All were co-located on the lease site without required prior written consent from the Trust Lands Administration.

SPECIAL USE LEASE AGREEMENT NO. 235 (RESOLUTION AND SETTLEMENT OF UNAUTHORIZED CO-LOCATED TENANTS' PAST USE) (CONTINUED)

The Trust Lands Administration discovered the unauthorized use of the additional users through documentation during tower site inspections and monitoring, and from subsequent discussions with the lessee. The lessee appeared to be fairly unfamiliar with the terms of SULA 235 regarding the need to require prior written approval to sublease, and was initially somewhat confused with what was required of them to be authorized to sublease. Part of the problem resulted from a change in the lessee's personnel. Several discussions with the lessee have occurred and they have been cooperative by providing the requested information and they desire to legitimize the subleasing on the lease site. It is in the best interest of the Trust Beneficiaries to resolve this situation by agreeing to a settlement for past use for the four named users through December 31, 2007. Staff is also submitting another separate action for the approval of a formal subleasing agreement commencing January 1, 2008, which will result in an increased amount of future revenue from subleasing on the site.

The four unauthorized users which the lessee has allowed on the site are:

Sublease No. 1: Nextel, type of use: CMRS (SMR)

Sublease No. 2: Macintosh, type of use: SMR

Sublease No. 3: IM Flash, type of use: Internal Paging

Sublease No. 4: Utah Broadband (now part of Metrobridge Networks), type of use: WIFI

In order to determine the appropriate compensation to the Trust for the past use, staff completed a review and analysis of the revenue received and what amount should have been paid as subleasing rental. The sublease rental portion, determined by the Trust Lands Administration, was based on an amount of 25% of the gross revenue received by the lessee. This amount represents fair market value for this type of use. There is further detail and information in the lease file regarding the amounts, calculation of the sublease rental amounts, the uses, and the time periods involved.

The amounts determined by the Trust Lands Administration were requested from the lessee and have been received. The initial total amount that would be due to the Trust Lands Administration through December 31, 2007, was \$46,816.26. However, the lessee is due a credit for a recent overcharge and overpayment of rentals due on another telecommunications agreement, SULA 1221 (UTU-12888), which is actually a Federal Right of Way Grant issued to the lessee and which was acquired by the Trust Lands Administration from the U.S.A. (Bureau of Land Management) in a previous land exchange. After a review of that right of way grant agreement for a communication site on Blue Mountain, the lessee and the Trust Lands Administration staff and counsel both acknowledge that there should be a credit given for the overcharge and payment. The amount of the overcharge was calculated to be \$16,106.97. Since this is the same lessee, staff is recommending that the lessee be given a \$16,106.97 credit toward the \$46,816.26 amount due, resulting in a balance due of \$30,709.29, which amount has been submitted.

A Letter of Settlement has been prepared by staff and reviewed by Agency legal counsel to resolve the unauthorized use and the overcharge described above. This Letter of Settlement shall be signed by the Assistant Director of Surface and has already been agreed to by Questar InfoComm management, subject to approval by the Trust Lands Administration. In addition, a memorandum and other supporting information shall be placed in files SULA 235 and SULA 1221.

SPECIAL USE LEASE AGREEMENT NO. 235 (RESOLUTION AND SETTLEMENT OF UNAUTHORIZED CO-LOCATED TENANTS' PAST USE) (CONTINUED)

In conjunction with this settlement, the lessee and the Trust Lands Administration are also entering into a formal Sublease Agreement, commencing effective January 1, 2008, which will legitimize and authorize the current use described under Subleases No. 1 through 4. The lessee has signed this agreement and it is being submitted as a separate action for the Director's approval on the Director's Minutes.

Upon recommendation of Mr. Gary Bagley, the Director approved the above-described resolution of unauthorized past use through the period of December 31, 2007, for the above-reference four co-located tenants, referenced as Subleases Nos. 1, 2, 3, and 4 of SULA 235.

SPECIAL USE LEASE AGREEMENT NO. 235 (APPROVAL OF SUBLEASE NOS. 1, 2, 3, AND 4)

Special Use Lease No. 235 is a telecommunications lease issued to Questar InfoComm, Inc.; Street Address: 180 East 100 South, Mailing Address: P.O. Box 45433, MS: QB303, Salt Lake City, UT 84145-0433. The lease is located on Lake Mountain in Utah County. School Fund.

The lease agreement provides for subleasing with prior written consent from the Trust Lands Administration, provided that fair market value sublease rentals are received. There are four existing sublease tenants co-located on the site. All were originally located on the lease site without prior written consent. Resolution of the unauthorized use has been discussed in a separate action on the Director's Minutes.

The Trust Lands Administration prepared a Sublease Agreement to authorize Sublease No's. 1, 2, 3, and 4, commencing January 1, 2008. The sublease expiration date is the lease expiration date of December 31, 2019, or upon the earlier termination of SULA 235 under the conditions provided for in the lease agreement.

The four acknowledged sublessees, uses, and descriptions for Sublease No's. 1 through 4, are as follows:

Sublease No. 1: Nextel

Type of Use: CMRS (SMR)

Sublease No. 2: Macintosh

Type of Use: SMR

Sublease No. 3: IM Flash

Type of Use: Internal Paging

Sublease No. 4: Metrobridge Networks (acquired previous entity Utah Broadband)

Type of Use: WIFI

The Sublease Agreement contains an annual payment schedule as follows:

There shall be an annual sublease rental payment due for each sublease at the end each lease year, by January 1 of the following year, with the first annual sublease rental payments being due January 1, 2009.

The annual payment amounts for each sublease are as follows:

Sublease No. 1: Nextel, twenty-five percent (25%) of the gross revenue received.

SPECIAL USE LEASE AGREEMENT NO. 235 (APPROVAL OF SUBLEASE NOS. 1, 2, 3, AND 4)
(CONTINUED)

Sublease No. 2: Macintosh, twenty-five percent (25%) of the gross revenue received.

Sublease No. 3: IM Flash, twenty-five percent (25%) of the gross revenue received.

Sublease No. 4: Utah Broadband, twenty-five percent (25%) of the gross revenue received.

These amounts are considered to represent fair market value. For purposes of the sublease agreement, the revenue received shall mean the actual compensation received by lessee from sublessees or any affiliated entity, on the basis of U.S. dollars, including all rental payments received plus the value of all services, payments in kind, and all other compensation whether monetary or non-monetary, received by lessee from sublessees for use of the tower site.

The sublease agreement provides further detail, conditions, and requirements regarding the subleases. It is made a part of the master lease file. The lessee has agreed to the terms of the sublease agreement. The Assistant Director – Surface shall sign the new additional sublease agreement, which has been approved as to form by the Assistant Attorney General. All four sublessees are subject to the sublease agreement and subject to the applicable terms of the master lease. The lessee's obligations under SULA 235 are in no way affected by the Trust Land Administration's acceptance of the additional sublease agreement.

Upon recommendation of Mr. Gary Bagley, the Director approved Sublease No's. 1, 2, 3, and 4 of SULA 235, as described above and in the associated sublease agreement.

SPECIAL USE LEASE NO. 1526 (RECLAMATION BOND)

Pursuant to Paragraph 21 of the lease agreement, EOG Resources, Inc.; 1060 E. Highway 40, Vernal UT 84078, has submitted Corporate Surety Bond No. 6570016. The bonding company is Safeco Insurance Company of America, Safeco Plaza, Seattle, WA 98185. The reclamation bond is for \$40,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1526.

SPECIAL USE LEASE NO. 1539 (RECLAMATION BOND)

Pursuant to Paragraph 21 of the lease agreement, EOG Resources, Inc.; 1060 E. Highway 40, Vernal UT 84078, has submitted Corporate Surety Bond No. 6570017. The bonding company is Safeco Insurance Company of America, Safeco Plaza, Seattle, WA 98185. The reclamation bond is for \$40,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1539.

SPECIAL USE LEASE NO. 1572 (RECLAMATION BOND)

Pursuant to Paragraph 21 of the lease agreement, EOG Resources, Inc.; 1060 E. Highway 40, Vernal UT 84078, has submitted Corporate Surety Bond No. 6570018. The bonding company is Safeco Insurance Company of America, Safeco Plaza, Seattle, WA 98185. The reclamation bond is for \$40,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1572.

SPECIAL USE LEASE NO. 1468 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Gasco Production Company, 8 Inverness Drive East, Suite 100, Englewood, CO 80112, has submitted Corporate Surety Bond No. LPM8915697. The bonding company is Fidelity and Deposit Company of Maryland, 1400 American Lane, Tower 1, 19th Floor, Schaumburg, IL 60196. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1468.

SPECIAL USE LEASE NO. 1422 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Gasco Energy Inc.; 8 Inverness Drive East, Suite 100, Englewood, CO 80112, has submitted Corporate Surety Bond No. LPM8915696. The bonding company is Fidelity and Deposit Company of Maryland, 1400 American Lane, Tower 1, 19th Floor, Schaumburg, IL 60196. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1422.

SALES**PRE SALE NO. 8392 (IRON COUNTY PRARIE DOG MITIGATION)**

Non-competitive Pre Sale No. 8392
 Certificate of Sale No. 26468
 Date of Sale: April 28, 2008

Total Price: \$132,000.00
 Terms: Cash sale

TO WHOM SOLD AND ADDRESS:

Iron County
 68 South 100 East
 Parowan, UT 84761

Down payment:	\$132,000.00
Interest to May 1, 2008:	0.00
Appraisal cost:	1,750.00
Sale processing charge:	500.00
Application fee:	250.00
Advertising fee:	365.00
RIP Reimbursement	<u>5,800.00</u>
TOTAL:	\$140,665.00

LEGAL DESCRIPTION:

Township 31 South, Range 10 West, SLB&M
 Section 32: NW¹/₄, NW¹/₄SW¹/₄, N¹/₂NE¹/₄SW¹/₄

PRE SALE NO. 8392 (IRON COUNTY PRARIE DOG MITIGATION) (CONTINUED)

NUMBER OF ACRES BY COUNTY: 220.00 – Iron

NUMBER OF ACRES BY FUND: 220.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 22537-99, RIP 256

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Reserving to the Trust Lands Administration all interest in Mineral Lease No. 50018.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration an easement across the property for the benefit of the Trust Lands Administration, its successors in interest, assigns, permittees and lessees, as may be necessary and reasonable to access lands administered by the School and Institutional Trust Lands Administration.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

COMMENTS:

The reimbursement for range improvement, which included an archaeological survey and seeding, in the amount of \$5,800.00, should be sent to Matt Bulloch, 1897 N. 4500 W., Cedar City, UT 84720.

Approval of the sale, as well as the reimbursement for range improvement, was approved on the Director's Minutes dated March 14, 2008.

RESPONSIBLE STAFF MEMBER: Lou Brown

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 7908 (WATTIS)

Public Pre Sale No. 7908
 Certificate of Sale No. 26471
 Date of Sale: May 27, 2008

Total Price: \$12,666.00
 Terms: Financed for a 20-year term at a
 variable interest rate (8.5% the first
 year)

TO WHOM SOLD AND ADDRESS:

James D. Hill
 1414 Sherman Ave.
 Salt Lake City, UT 84105

Down payment:	\$1,266.60
Interest to June 1, 2008:	10.62
Appraisal cost:	766.67
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>.00</u>
TOTAL:	\$2,793.89

LEGAL DESCRIPTION:

Township 15 South, Range 8 East, SLB&M
Section 10: NE $\frac{1}{4}$ SE $\frac{1}{4}$

NUMBER OF ACRES BY COUNTY: 40.00 – Carbon

NUMBER OF ACRES BY FUND: 40.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 45562, issued to ConocoPhillips for oil, gas, and hydrocarbon, is reserved to the Trust Lands Administration.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Kurt Higgins

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8320-A (OTTER CREEK – PARCEL 3)

Public Pre Sale No. 8320-A
 Certificate of Sale No. 26472
 Date of Sale: May 27, 2008

Total Price: \$46,000.00
 Terms: Financed for a 20-year term at a
 variable interest rate (8.5% the first
 year)

TO WHOM SOLD AND ADDRESS:

Jeff Broman
 215 S. 10th E.
 Salt Lake City, UT 84102

Down payment:	\$4,600.00
Interest to June 1, 2008:	38.56
Appraisal cost:	625.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>677.00</u>
TOTAL:	\$6,690.56

LEGAL DESCRIPTION:

Township 30 South, Range 2 West, SLB&M
Section 2: Lot 3 (NE¹/₄NW¹/₄)

NUMBER OF ACRES BY COUNTY: 38.59 – Piute

NUMBER OF ACRES BY FUND: 38.59 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 50002, for oil, gas, and hydrocarbon, issued to Pioneer Oil and Gas, is reserved to the Trust Lands Administration.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to Easement No. 762, to South Central Communications, for a buried fiber optics line along the County road.

Subject to Right of Way No. 1288, to Garkane Energy Cooperative Inc., for a power line.

PRE SALE NO. 8320-A (OTTER CREEK – PARCEL 3) (CONTINUED)

Subject to Easement No. 1286, to Piute County, for several roads running through the property.

RESPONSIBLE STAFF MEMBER: Lou Brown

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8320-C (OTTER CREEK – PARCEL 1)

Public Pre Sale No. 8320-C

Certificate of Sale No. 26473

Date of Sale: May 27, 2008

Total Price: \$80,501.00

Terms: Financed for a 20-year term at a
variable interest rate (8.5% the first
year)

TO WHOM SOLD AND ADDRESS:

John M. & Cheryl A. Snelgrove
Bradley R. Caldwell
As Tenants in Common
P.O. Box 351
Santaquin, UT 84655

Down payment:	\$ 8,050.10
Interest to June 1, 2008:	67.49
Appraisal cost:	625.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>1,333.00</u>
TOTAL:	\$10,825.59

LEGAL DESCRIPTION:

Township 30 South, Range 2 West, SLB&M
Section 2: S½NW¼

NUMBER OF ACRES BY COUNTY: 80.00 – Piute

NUMBER OF ACRES BY FUND: 80.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 50002, for oil, gas, and hydrocarbon, issued to Pioneer Oil and Gas, is reserved to the Trust Lands Administration.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

PRE SALE NO. 8320-C (OTTER CREEK – PARCEL 1) (CONTINUED)

Subject to Easement No. 762, to South Central Communications, for a buried fiber optics line along the County road.

Subject to Right of Way No. 1288, to Garkane Energy Cooperative Inc., for a power line.

Subject to Easement No. 1286, to Piute County, for several roads running through the property.

RESPONSIBLE STAFF MEMBER: Lou Brown

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8413 (HUNTINGTON LAWRENCE)

Public Pre Sale No. 8413
Certificate of Sale No. 26475
Date of Sale: May 27, 2008

Total Price: \$26,500.00
Terms: Financed for a 20-year term at a
variable interest rate (8.5% the first
year)

TO WHOM SOLD AND ADDRESS:

Tyson & Mandy Allen
P.O. Box 583
111 West 400 South
Huntington, UT 84528

Down payment:	\$2,650.00
Interest to June 1, 2008:	22.22
Appraisal cost:	2,250.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>1,000.00</u>
TOTAL:	\$6,672.22

LEGAL DESCRIPTION:

Township 17 South, Range 9 East, SLB&M
Section 32: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

NUMBER OF ACRES BY COUNTY: 60.00 – Emery

NUMBER OF ACRES BY FUND: 60.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 23176

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 48142, issued to Robert L. Bayless for oil, gas & hydrocarbon, is reserved to the Trust Lands Administration.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

PRE SALE NO. 8413 (HUNTINGTON LAWRENCE) (CONTINUED)

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Bryan Torgerson

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8419 (PELICAN LAKE)

Public Pre Sale No. 8419
Certificate of Sale No. 26476
Date of Sale: May 27, 2008

Total Price: \$152,000.00
Terms: Cash sale

TO WHOM SOLD AND ADDRESS:

Reed B. & Vicki L. Madsen
Salt Lake City, UT 84109

Down payment:	\$152,000.00
Interest to June 1, 2008:	0.00
Appraisal cost:	1,150.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>1,500.00</u>
TOTAL:	\$155,400.00

LEGAL DESCRIPTION:

Township 7 South, Range 20 East, SLB&M
Section 32: NW¹/₄NE¹/₄, NW¹/₄, NW¹/₄SW¹/₄

NUMBER OF ACRES BY COUNTY: 240.00 – Uintah

NUMBER OF ACRES BY FUND: 240.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 49956, issued to Elk Resources, Inc., for oil, gas, and hydrocarbon, is reserved to the Trust Lands Administration.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

There is reserved to the Trust Lands Administration all archaeological specimens, values, contexts, features, and deposits within noted archaeological sites on the parcel.

PRE SALE NO. 8419 (PELICAN LAKE) (CONTINUED)

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Kurt Higgins

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8420 (PHOTOGRAPH GAP – PARCEL B)

Public Pre Sale No. 8420
Certificate of Sale No. 26477
Date of Sale: May 27, 2008

Total Price: \$24,000.00
Terms: Financed for a 20-year term at a
variable interest rate (8.5% the first
year)

TO WHOM SOLD AND ADDRESS:

Robert D. Carroll
33 Blue Mtn. Dr.
P.O. Box 751
Monticello, UT 84535

Down payment:	\$2,400.00
Interest to June 1, 2008:	20.12
Appraisal cost:	2,750.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>300.00</u>
TOTAL:	\$6,220.12

LEGAL DESCRIPTION:

Township 31 South, Range 23 East, SLB&M
Section 34: NW¹/₄SW¹/₄

NUMBER OF ACRES BY COUNTY: 40.00 – San Juan

NUMBER OF ACRES BY FUND: 40.00 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 21026

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Mineral Lease No. 49674, issued to Craig S. Settle for oil, gas, and hydrocarbon, is reserved to the Trust Lands Administration.

Mineral Lease No. 50488, issued to John Allen Corley Trust for metalliferous minerals, is reserved to the Trust Lands Administration.

PRE SALE NO. 8420 (PHOTOGRAPH GAP – PARCEL B) (CONTINUED)**LIST SURFACE RESERVATIONS:**

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Bryan Torgerson

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8421 (PINE HILLS)

Public Pre Sale No. 8421

Certificate of Sale No. 26478

Date of Sale: May 27, 2008

Total Price: \$155,000.00

Terms: Financed for a 20-year term at a variable interest rate (8.5% the first year)

TO WHOM SOLD AND ADDRESS:

Jerry L. Cross
1494 S. Carterville Rd.
Orem, UT 84057

Down payment:	\$15,500.00
Interest to June 1, 2008:	129.95
Appraisal cost:	1,200.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>1,500.00</u>
TOTAL:	\$19,079.95
Paid at Closing:	<u>(19,079.00)</u>
SHORT:	0.95

LEGAL DESCRIPTION:

Township 36 South, Range 4 West, SLB&M
Section 1: Lot 2 (NW¼NE¼)

NUMBER OF ACRES BY COUNTY: 40.24 – Garfield

NUMBER OF ACRES BY FUND: 40.24 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: None

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

PRE SALE NO. 8421 (PINE HILLS) (CONTINUED)**LIST SURFACE RESERVATIONS:**

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Lou Brown

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NO. 8412-A AND 8412-B (EAST HARDING)

Public Pre Sale No. 8412-A & 8412-B

Certificate of Sale No. 26474

Date of Sale: May 27, 2008

Total Price: \$108,366.00

Terms: Cash sale

TO WHOM SOLD AND ADDRESS:

Highline Dairy LLC
818 Bristlecone Lane
Delta, UT 84624

PS 8412-A (East Harding – Parcel 1):

Sale Price: \$12,366.00

Down payment:	\$12,366.00
Interest to June 1, 2008:	0.00
Appraisal cost:	450.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>300.00</u>
TOTAL:	\$13,866.00

PS 8412-B (East Harding – Parcel 2):

Sale Price: \$96,000.00

Down payment:	\$96,000.00
Interest to June 1, 2008:	0.00
Appraisal cost:	450.00
Sale processing charge:	500.00
Application fee:	250.00
Cult. resource survey:	<u>3,000.00</u>
TOTAL:	\$100,200.00

TOTAL SUBMITTED: \$114,066.00

LEGAL DESCRIPTION:**PS 8412-A (Parcel 1):**

Township 18 South, Range 5 West, SLB&M
Section 5: Lot 4 (NW¹/₄NW¹/₄)

Containing 41.22 acres, more or less

PRE SALE NO. 8412-A AND 8412-B (EAST HARDING) (CONTINUED)

PS 8412-B (Parcel 2):

Township 18 South, Range 5 West, SLB&M

Section 5: S½

Containing 320.00 acres, more or less

NUMBER OF ACRES BY COUNTY: 361.22 – Millard

NUMBER OF ACRES BY FUND: 361.22 – Reservoirs

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 21013

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Reserving to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining State-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to claims made by Millard County for a valid existing right to roads running through the parcel. A Disclaimer of Interest (Predesignation No. 724) has been issued by the Trust Lands Administration.

COMMENTS:

The purchaser requested that only one certificate of sale and one patent be issued for the purchased parcels.

RESPONSIBLE STAFF MEMBER: Lou Brown

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

PRE SALE NOS. 7595 AND 8320-B (PROPERTIES OFFERED AT AUCTION BUT UNSOLD)

The following properties were offered for sale at public auction on May 27, 2008, but were not sold:

PS 7595 (Lapoint)

Township 5 South, Range 19 East, SLB&M
Section 21: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Uintah County

School Fund

Comment: There were no bids submitted for this property.

PS 8320-B (Otter Creek – Parcel 4)

Township 30 South, Range 2 West, SLB&M
Section 2: Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$)

Piute County

School Fund

Comment: The only bid submitted for this property was in the amount of \$20,000.00. This amount did not meet the minimum acceptable selling price.

Records should be updated to show the property was offered.

This item was submitted by Ms. Diane Durrant for record-keeping purposes.

ISSUANCE OF PATENTS

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8392

CERTIFICATE OF SALE NO.: 26468

SALE DATE: April 28, 2008

PATENT NO.: 20118

PATENT DATE: May 2, 2008

ISSUED TO:

Iron County
68 South 100 East
Parowan, Utah 84761

LEGAL DESCRIPTION:

Township 31 South, Range 10 West, SLB&M
Section 32: NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$

ACRES: 220.00, m/l

COUNTY: Iron

FUND: School

This item was submitted by Ms. Brigit Carney for record-keeping purposes.

LEGAL ACTIONS

EXCHANGE NO. 292 -THREE PEAKS EXCHANGE WITH BLM – (EXCH 292)

FUND: School
 PROJECT CODE: CC3PK 000 00
 COUNTY: Iron
 PATENTS: 19998 – State of Utah
 43-2008-0003 – Federal Patent

State Exchange Patent No. 19998, recorded in the official records of Iron County on May 29, 2008, as Entry No. 00573165, in Book 1135, Page 805.

Federal Patent No. 43-2008-0003, Federal Serial No. UTU-UTU-79738FD, recorded in the official records of Iron County on May 29, 2008, as Entry No. 00573166, in Book 1135, Page 808.

LEGAL DESCRIPTION OF TRUST LANDS CONVEYED TO USA:

Township 35 South, Range 12 West, SLB&M

Parcel 1:

Section 16: Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$), Lot 4 (NW $\frac{1}{4}$ NW $\frac{1}{4}$), Lot 5 (SW $\frac{1}{4}$ NE $\frac{1}{4}$), Lot 6, and Lot 7

Parcel 2:

Section 16: Lot 1(SE $\frac{1}{4}$ NW $\frac{1}{4}$), Lot 2 (SE $\frac{1}{4}$ NW $\frac{1}{4}$), Lot 4 (NW $\frac{1}{4}$ SW $\frac{1}{4}$), Lot 5 (NE $\frac{1}{4}$ SW $\frac{1}{4}$), S $\frac{1}{2}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$

Parcel 3:

Section 2: Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, and S $\frac{1}{2}$

Containing 950.69 acres, more or less.

1. Interests Conveyed or Reserved: Conveyance of trust lands to the United States included the surface and mineral estate. There are no water, timber, or other rights associated with the property and TLA did not reserve any interests.
2. State Exchange Patent 19998 was issued subject to valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute. No specific contracts were reserved or excepted by TLA in the exchange.

LEGAL DESCRIPTION OF FEDERAL LANDS RECEIVED FROM THE USA:

Township 35 South, Range 12 West, SLB&M

Section 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 19: NE $\frac{1}{4}$

Section 23: Lot 1

Section 24: Lots 1 and 2

Containing 330.20 acres, more or less, in Iron County.

EXCHANGE NO. 292 -THREE PEAKS EXCHANGE WITH BLM – (EXCH 292) (CONTINUED)

1. Interests Conveyed or Reserved: Conveyance of the Federal land included the surface and mineral estate. There are no water, timber, or other rights associated with the property.
2. The federal patent was issued with the following reservations:
 - a. Excepting and Reserving to the United States a right-of-way thereon for ditches or canals constructed by the authority of the United States. Act of August 30, 1890 (43 U.S.C. 945).
 - b. Those rights for a communication site, granted to the Federal Aviation Administration, its successors and assigns, by Right-of-Way Number UTU-067391, pursuant to 44 L.D. 513, as to the NE¼ of Section 19.
3. The federal patent was issued subject to the following rights-of-way of record:
 - a. Those rights for a road, granted to Iron County, its successors and assigns, by Right-of-Way Number UTU-67497, pursuant to the Act of October 21, 1976, (90 Stat. 2776; 43 U.S.C. 1761), as to the NE¼ of Section 19.
 - b. Those rights for an 8-inch diameter underground natural gas pipeline, granted to Questar Gas Management Company, its successors and assigns, by Right-of-Way Number UTU-65455, pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), as to the NE¼ of Section 19.
 - c. Those rights for a buried 1½ -inch livestock water pipeline, granted to Clark Livestock, its successors and assigns, by Right-of-Way Number UTU-38905, pursuant to the Act of October 21, 1976, (90 Stat. 2776; 43 U.S.C. 1761), as to the NE¼ of Section 19.
 - d. Those rights for a railroad, granted to the Los Angeles and Salt Lake Railroad Company, its successors and assigns, by Right-of-Way Number SL-032533, pursuant to the provisions of the Act of March 3, 1875, (18 Stat. 482), as to the NE¼ of Section 19.
 - e. Those rights for a buried telephone cable, granted to US West Communications, its successors and assigns, by Right-of-Way Number UTU-63277, pursuant to the Act of October 21, 1976, (90 Stat. 2776; 43 U.S.C. 1761), as to the NE¼ of Section 19.

BACKGROUND INFORMATION:

The Three Peaks exchange involved the exchange of trust lands located inside the Three Peaks Special Recreation Management Area in Iron County for several parcels of public land managed by the U.S. Bureau of Land Management, also located in Iron County. The trust parcels exchanged to BLM contained significant undevelopable land, and were subject to high levels of recreational use. The BLM parcels acquired by the Trust have better physical development characteristics, and are closer to prospective development.

The exchange was concluded pursuant to a binding exchange agreement between TLA and BLM dated March 17, 2008. Closing of the exchange occurred on May 29, 2008. TLA conveyed 950.69 acres of trust lands valued at \$881,000 to BLM, while BLM conveyed 330.2 acres of public land valued at \$901,000 to TLA. The valuation difference was made up by a cash equalization payment of \$20,000 by TLA to BLM.

EXCHANGE NO. 292 -THREE PEAKS EXCHANGE WITH BLM – (EXCH 292) (CONTINUED)

The lands conveyed in the exchange were classified as development lands, and the acquired lands should be similarly classified. The proposed exchange was presented to the SITLA Board on January 25, 2007, and no concerns were expressed. The legislative notification required by Utah Code Ann. § 63-34b-101 was given by letter dated October 1, 2007. Required archaeological clearances on the BLM lands being acquired were completed prior to the exchange. BLM completed significant debris removal from the BLM lands prior to the exchange, and TLA's environmental consultant (IHI) found no other evidence of significant environmental contamination. TLA completed mitigation of several old mine shafts and audits on the trust lands being conveyed to BLM prior to completion of the exchange.

Additional information concerning the exchange is contained in the exchange file for the exchange, and legal file 6A08.60. The BLM identification number for the exchange was UTU-79738.

Upon recommendation of Mr. John Andrews, the Director approved Exchange 292.

SELECTIONS**RECEIPT OF UTAH SCHOOL INDEMNITY SELECTION LIST NO. 332**

The Trust Lands Administration has received a certified copy of Utah Indemnity Selection List No. 332 which was issued by the United States Department of Interior, Bureau of Land Management on May 30, 2008. These lands were selected by the State of Utah in an Application for Selection and Petition for Classification which was submitted on September 10, 2007, in lieu of, or as indemnity for, school trust lands granted to the State under the Statehood Act of July 16, 1894, c. 138, §§ 7, 12, 13 (28 Stat. 109, 110), pursuant to the Act of Congress of August 27, 1958 (72 Stat. 928), as amended, but lost to the State by reason of prior appropriation. This selection partially satisfies the loss of rights to the remaining base lands within the State of Utah, as identified and agreed to by Letter Agreement dated August 20, 1983.

This list conveys the surface and mineral estates of 281.72 acres in Iron County, valued at \$817,000. This value will be deducted from the State of Utah's remaining pooled value of \$2,464,921, as documented in the Memorandum of Understanding ("MOU") for Updating and Adjusting the Remaining State of Utah In-Lieu Lands Pool Value between the U.S. Department of the Interior, Bureau of Land Management, and the State of Utah, School and Institutional Trust Lands Administration, dated June 7, 2006, and as adjusted pursuant to Section 6 of the MOU.

Lands conveyed to the State of Utah, School and Institutional Trust Lands Administration, for benefit of the schools, by Indemnity Selection List No. 332, are described as follows:

Township 35 South, Range 12 West, SLB&M

Section 14: S½S½SW¼, W½SE¼

Section 15: S½S½SE¼

Section 23: Lot 2, E½NW¼

Containing 281.72 acres

EXCEPTING AND RESERVING TO THE UNITED STATES:

1. A right-of-way thereon for ditches or canals constructed by the authority of the United States, under the Act of August 30, 1890 (43 U.S.C. 945).

RECEIPT OF UTAH SCHOOL INDEMNITY SELECTION LIST NO. 332 (CONTINUED)

The remaining pooled value, as of this date, is \$1,647,921.

These lands have been selected for development purposes. Additional records concerning this selection are on file with the Legal Group, in connection with the Three Peaks exchange.

This item was submitted by Mr. John Andrews for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

NONE